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PSX scales fresh peak above 189,000

By Muhammad Kashif

KARACHI: Amid sharp volatility, the Pakistan Stock Exchange (PSX) on Friday pushed the benchmark index to a fresh all-time high above 189,000 points as renewed buying gathered pace in the final session of the week, ahead of a monetary policy announcement due on Monday.

Investors appeared to be positioning for a further cut in the policy rate, which stands at 10.5pc, by the State Bank of Pakistan's Monetary Policy Committee amid easing inflation, rising foreign exchange reserves and a stable rupee. At its treasury bills auction on Jan 21, the government reduced cut-off yields across most tenors to single digits for the first time in four years, strengthening the notion that the central bank is set to cut the benchmark rate by 50-100bps.

According to Arif Habib Ltd (AHL), the PSX registered another record close, with the KSE-100 index settling at 189,166.83 points, up 1,478.67 points, or 0.79 per cent.

It noted that the market remained range-bound during the first session, oscillating between 187,000 and 188,000 points. Momentum strengthened in the second half of the day as rumours of a potential stock split at Fauji Fertiliser Company (FFC) sparked aggressive buying, propelling the index past the 189,000 mark to a historic close.

On the macroeconomic front, the Sensitive Price Index (SPI) for the week ended Jan 22 rose 4.18pc year-on-year, while declining 0.48pc week-on-week, signalling easing short-term inflationary pressures.

AHL said FFC alone added 1,514 points to the index, driven largely by split-related speculation. Engro Fertiliser, Pakistan Petroleum Ltd, Hub Power and Engro Holdings collectively contributed a further 690 points. On the downside, Pioneer Cement, Oil and Gas Development Company Ltd, United Bank, National Bank and Pakistan Petroleum came under selling pressure, cumulatively shaving 478 points off the index.

Market participation dipped, with traded volumes falling below the one-billion mark to 875.49 million shares. However, the value of shares traded increased to Rs58.5bn. K-Electric led the volume chart, with 141.4 million shares changing hands.

Earlier in the week, the current account numbers kept equity investors in a state of depression, as the country recorded a current account deficit of $244 million in December 2025, reversing surpluses of $454m in December 2024 and $98m in November 2025. During the first half of FY26, the current account posted a deficit of $1.174bn, compared with a surplus of $957m in the corresponding period last year. The country also recorded a net outflow of foreign direct investment of $135m in December.

Topline Securities noted that while the market remained range-bound in early trade, bulls later drove the index higher, led by FFC on optimism about earnings and payouts ahead of the company's board meeting to announce its annual results for the year ended Dec 31, 2025.

PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

GAINERS		LOSERS		LEADERS*	
Hoechst Pakistan	74.84	Nestle Pakistan	224.27	K-Electric	141.54
Fauji Fertilizer Co	52.38	Unilever Foods	89.75	Cnergyico PK	53.38
Pakistan Oilfields	44.18	Pioneer Cement	39.83	Hascol Petroleum	42.14
Service Industries	37.17	Khyber Textile	38.03	Crescent Star Ins	35.95
Rafhan Maize	34.27	Highnoon Lab	22.69	Arif Habib Corpn	24.36

(Share values in rupees) * Volume in millions of traded shares

INDICATORS

	Friday	Previous	Change
KSE 100-SHARE INDEX (Points)	189,166.83	187,688.16	▲ 1,478.67
KSE 30-SHARE INDEX (Points)	58,207.71	57,478.24	▲ 729.47
MARKET CAPITAL (Rs billion)	21,219.246	21,185.008	▲ 34.237
TRADING VALUE (Rs billion)	58.594	49.155	▲ 9.439

ACTIVITY

Total listed	532
Active	478
Gainers	175
Losers	264

PARTICIPANTS

Foreign	▼$3.43m
Companies	▼$3.02m
Banks	▼$0.53m
Mutual Funds	▲$6.30m
Individuals	▲$0.45m

Exchange firm's licence cancelled

At least three exchange companies lost licences in 2025

By Shahid Iqbal

KARACHI: The State Bank of Pakistan (SBP) on Friday cancelled the licence of another exchange company over serious violations of regulatory instructions, a move currency dealers say is part of a broader plan to give more space to bank-owned exchange companies.

At least three exchange companies lost their licences in 2025, while Glaxy Exchange became the first casualty of 2026.

"The State Bank has, with immediate effect, cancelled the authorisation/licence of M/s Glaxy Exchange (Private) Limited on account of serious violations of SBP's regulatory instructions. The exchange company, including its head office and outlets, can no longer undertake any kind of foreign exchange-related business activity," said an SBP notification.

Sources in the financial market dealing with currency exchange said the SBP governor had recently hinted at closing at least four exchange companies in 2026. However, the central bank did not specify the nature of the violations, while exchange companies said the issue was related to compliance, which has become common under the current regulatory framework.

"We have been facing a serious burden of 'over-regulation', and most exchange companies are spending most of their time just to remain compliant with SBP requirements," said an exchange company owner in Karachi.

The owner of Glaxy Exchange could not be contacted, but a former employee said the company had been incurring losses for more than a year and was seeking a buyer, similar to United Bank Limited's acquisition of Wall Street Exchange Company a few years ago. That deal was reportedly finalised at Rs1.5 billion, and the company had the largest branch network in the country.

Glaxy Exchange has around 15 to 16 branches nationwide, but its financial position had weakened as currency trading volumes declined sharply over the past three years due to strict monitoring of dollar movements.

"About 90 per cent of exchange companies posted losses in 2025," said another currency dealer. He added that while the SBP was encouraging mergers among exchange companies, it was simultaneously asking banks to expand their exchange branch networks to as many as 100 branches per bank.

Exchange companies said the SBP appeared keen to reduce the number of individually operating exchange companies, despite them being regulated by the central bank. When asked why the SBP was closing most exchange companies, dealers said bank-owned exchange companies did not function like independent firms and charged customers higher margins. They added that banks were currently not very interested in the business due to relatively low profits compared to their core banking operations.

The SBP has also raised the paid-up capital requirement for exchange companies from Rs600 million to Rs800m, making the formation of new exchange companies nearly impossible, while banks can easily meet the higher capital threshold.

Weekly inflation rises on costly flour, pulses

By Mubarak Zeb Khan

ISLAMABAD: Short-term inflation, measured by the Sensitive Price Index (SPI), increased 4.18 per cent year-on-year in the week ending Jan 22, owing to an increase in the retail price of wheat flour and pulses in the domestic market.

The SPI-based inflation has been on an upward trend for the past 25 consecutive weeks. The increase is mainly driven by a surge in prices of perishable products, such as tomatoes and eggs. It, however, declined by 0.48pc from the previous week due to lower prices for potatoes and onions, official data showed on Friday.

The extraordinary spike in the retail prices of sugar and meat also contributed to reversing the trend during the past weeks under review.

The price of meat has been steadily rising over the past few weeks.

The weekly inflation hit a record 48.35pc year-on-year in early May 2023, but then decelerated to 24.4pc in late August 2023 before surging past 40pc during the week ending Nov 16, 2023.

The items whose prices increased the most over the previous week included tomatoes (9.83pc), bananas (3.66pc), wheat flour (2.27pc), eggs (1.02pc), firewood (0.56pc), pulse mash (0.53pc), pulse moong (0.43pc), shirting (0.27pc), pulse gram (0.16pc) and sugar (0.14pc).

The items whose prices saw a decline week-on-week included chicken (16.68pc), potatoes (8.52pc), onions (7.27pc), LPG (3.54pc), salt powder (1.52pc), gur (1pc), vegetable ghee 2.5 kg (0.87pc), cooking oil 5 litre (0.53pc), pulse masoor (0.27pc) and cigarettes (0.11pc).

However, on an annual basis, the items whose prices increased the most included wheat flour (38.60pc), eggs (35.99pc), gas charges for Q1 (29.85pc), beef (12.75pc), chilies powder (12.56pc), firewood (10.83pc), tomatoes (10.02pc), bananas (9.94pc), powdered milk (9.79pc), gur (9.42pc), lawn printed (8.29pc) and shirting (8.22pc).

In contrast, the prices of potatoes dropped 47.26pc, followed by garlic (36.28pc), onions (35.55pc), pulse gram (29.79pc), tea Lipton (17.79pc), chicken (16.79pc), pulse mash (12.57pc), pulse masoor (9.75pc), diesel (1.27pc) and petrol (0.95pc).

US DOLLAR	BUYING Rs280.32 SELLING Rs280.99
EURO	BUYING Rs328.96 SELLING Rs331.94
GBP	BUYING Rs378.52 SELLING Rs381.73
UAE DIRHAM	BUYING Rs76.51 SELLING Rs77.27
KSA RIYAL	BUYING Rs74.84 SELLING Rs75.42
GOLD	TOLA Rs514,662 10 GMS Rs441,239

HYDERABAD: Labourers sort green chilies at a vegetable market.—APP

SBP governor warns of complex cyber threats

Says strategy coming soon to curb growing risks

By Staff Reporter

KARACHI: State Bank of Pakistan (SBP) Governor Jameel Ahmad on Friday cautioned that the cyber threat landscape has become increasingly complex, driven by highly skilled, well-resourced groups and further complicated by rising geopolitical tensions.

Addressing a ceremony recognising institutions and individuals for completing Pakistan's first-ever industry-wide cybersecurity drills for the banking sector, he said that the domestic shortage of skilled cybersecurity professionals limits institutions' ability to safeguard against cyber threats effectively.

The increasing interconnection and complexity of the financial system, combined with innovation and massive technology adoption, have introduced new risks and vulnerabilities.

"To provide a clear strategic direction and roadmap to the industry for enhancing overall cyber resilience of the banking sector, the SBP will soon issue a comprehensive Cyber Resilience Strategy for regulated entities. We are calling the strategy the Cyber Shield 2025-30," the SBP chief said.

This strategy will provide a forward-looking roadmap to enhance the financial sector's ability to identify, protect, withstand, and recover from cyber threats. It is built on foundational pillars, including strengthening cyber resilience, maturing cybersecurity governance, enhancing collaborations and partnerships, developing a cyber workforce, and continuously evolving cybersecurity programmes.

The financial institutions have invested in capability, coordination, and crisis readiness — qualities that are now indispensable for safeguarding financial stability in an era of persistent and sophisticated cyber threats, he said.

He said in today's environment, cyber resilience is measured not by whether cyber-attacks occur, but by how effectively we respond to them.

We at the SBP aim to uphold international best practices to ensure cybersecurity in the financial industry, he said, adding that under the Strategic Plan – Vision 2028 – resilience, trust and stability are foundational pillars of our financial industry.

"And in today's highly digitalised and interconnected environment, cyber risk has emerged as one of the most significant threats to these pillars," he said. It is no longer confined to IT systems or operational disruptions — it is a systemic risk with direct implications for financial stability, public confidence, and economic growth, he added.

He emphasised that cyber resilience cannot be achieved in isolation, adding that it requires collective preparedness, transparent information sharing, and trust between regulators and regulated entities.

"Initiatives such as these cybersecurity drills send a strong and reassuring signal that Pakistan's financial system is proactive, prepared, and aligned with global standards," he said.

Oil rises 3pc as US sends 'armada' to Iran

NEW YORK: Oil prices rose to their highest in more than a week on Friday after US President Donald Trump ratcheted up pressure against Iran through more sanctions on vessels that transport its oil, and announced an "armada" was heading towards the Middle Eastern nation.

Brent crude futures rose $1.93, or 3 per cent, to $65.99 a barrel by 1:17 p.m. EST (1817 GMT). US West Texas Intermediate crude was up $1.80, or also 3pc, at $61.16.

Both benchmarks were at their highest since January 14 and set for weekly gains of over 2.5pc.

Trump's statements renewed warnings to Tehran against killing protesters or restarting its nuclear programme. The escalating pressure has caused concerns of oil supply disruptions in the Middle East. Kazakhstan has been struggling to resume output from one of the world's largest oilfields.

Warships, including an aircraft carrier and guided-missile destroyers, will arrive in the Middle East in the coming days, a US official said. The United States conducted strikes on Iran last June.

The US on Friday also imposed sanctions on nine vessels and eight related firms involved in transporting Iranian oil and petroleum products, the US Treasury said in a statement.

At about 3.2m barrels per day according to Opec figures, Iran is Opec's fourth-biggest crude oil producer behind Saudi Arabia, Iraq and the United Arab Emirates.

Chevron said oil output at Kazakhstan's Tengiz oilfield has yet to resume after Chevron-led operator Tengizchevroil announced a shutdown on Monday following a fire.—Reuters

Gold surges to Rs514,662/tola

By Our Staff Reporter

KARACHI: Amid a continuous rally in world prices, the local 10-gram and one-tola gold rates (24kt) hit a new peak of Rs441,239 and Rs514,662, respectively, showing a jump of Rs7,802 and Rs9,100.

International gold price further swelled by $91 per ounce to $4,923 per ounce, rates issued by All Pakistan Sarafa Gems and Jewellers Association (APSGJA) based on interbank exchange rates, revealed.

Rising global rates are under pressure as investors pile into the yellow metal as a safe-haven amid ongoing geopolitical tensions and expectations of further US interest rate cuts.

A steep rise in domestic rates further fades the hopes of genuine gold jewellery buyers during the ongoing wedding season, as many families are unable to afford gold at Rs514,662 per tola. Jewellers complain about the thin presence of buyers in the markets while investors continue to hunt for the precious metal.

Investors must be upbeat as 10-gram and one-tola gold rates have surged by Rs206,671 and Rs241,062, respectively, if compared with the 10-gram and one-tola gold rates at Rs234,568 and Rs273,600 prevailing on Jan 1, 2025.

The world gold price was $2,624, up $2,299 per ounce from the above period.

Silver (24kt) rate had surged to Rs10,275 per tola, up by Rs372, while the 10-gram rate soared to Rs8,809, up by Rs319, owing to an increase in the world silver price to $98 per ounce, up by $3.72.

Pakistan's critical minerals need value addition to boost exports

ICMA says $8tr wealth can drive sustainable economic growth

By Khaleeq Kiani

ISLAMABAD: To boost foreign exchange and drive sustainable economic growth, Pakistan must focus on transforming its raw minerals into processed and value-added products that meet global Environmental, Social, and Governance (ESG) standards, rather than merely exporting raw critical minerals.

In a policy note following Pakistan's first shipment of critical minerals to the United States in October last year, Institute of Cost and Management Accountants of Pakistan (ICMA) said the export of critical minerals marked a historic milestone but its research emphasised that "the real opportunity lies in turning raw minerals into processed, ESG-compliant products".

"Achieving this transformation requires the government to tackle fragmented governance, unclear regulations, poor infrastructure, limited local processing capacity, security and political risks, weak environmental and social oversight, and a shortage of skilled mining workers", it said, adding that addressing these issues was essential to build investor confidence and fully unlock Pakistan's vast mineral wealth.

It said the mineral exports alone cannot drive economic transformation. Pakistan must move decisively from raw extraction to integrated, ESG-compliant value chains. Harmonised national mineral policy, transparent regulation, technology-enabled oversight, and strategic international partnerships are essential to convert the country's mineral wealth into sustainable economic growth, industrial diversification, and strengthened foreign exchange earnings.

Against this backdrop, Pakistan formally entered the global critical minerals market by dispatching its first shipment of enriched rare earth elements and critical minerals to Missouri-based US Strategic Metals (USSM) under a $500 million agreement. The consignment sent on Oct 2, 2025, signalled Pakistan's evolution from a resource-rich yet underutilised economy into an emerging player in strategic global supply chains.

The shipment included antimony, copper concentrate, and rare earth elements such as neodymium and praseodymium, marking the start of a long-term collaboration between USSM and Pakistan's Frontier Works Organisation. Signed in September 2025, the deal envisioned an integrated domestic value chain spanning exploration, processing, and refining, designed to maximise local value addition.

Despite vast deposits of copper, gold, chromite, and rare earth elements, Pakistan's mining sector has historically contributed less than 3pc to GDP. ICMA research notes that the policy shift toward value-added mineral exports reflects a strategic reorientation, though tangible economic impact is expected to unfold gradually — over a 2-3-year demonstration phase, followed by 5-7 years of moderate scaling, with full impact expected in 10 plus years. "Full value addition in mineral exports could significantly increase Pakistan's industrial output and foreign exchange earnings over the next decade", it added.

Pakistan's mineral wealth is estimated at $8 trillion, spread across 600,000 square kilometres and comprising 92 identified minerals, 52 of which are commercially extracted. At the heart of this potential is the Reko Diq copper-gold project, one of the world's largest untapped reserves, with production slated to begin in 2028, and capacity expansion planned through 2034, the ICMA study noted.

The ICMA said that initiatives such as the Pakistan Mineral Investment Forum and the National Mineral Harmonisation Framework, alongside growing international engagement under the China-Pakistan Economic Corridor (CPEC) and interest from Saudi Arabia, were drawing global attention. "To fully seize this opportunity, Pakistan must ensure policy consistency, institutional coordination, and sustainable mineral governance".

It emphasised that the emerging partnership with the United States offered a robust framework for responsible exploration, processing, and refining, leveraging technical expertise and market access. By focusing on strategically critical minerals and embedding ESG principles across the value chain, Pakistan can strengthen bilateral cooperation, enhance investor confidence, and position itself as a responsible contributor to global critical mineral supply chains and the clean energy transition.

In late October, a leading delegation of the US government-funded Critical Mineral Forum (CMF) visited Pakistan to lobby for building "a secure and transparent mineral supply chain for American industry" amid Washington's growing concerns over China's upper hand in global rare earth materials.

The delegation had engagements with finance minister Muhammad Aurangzeb and other stakeholders and 'discussed avenues of cooperation in the minerals and mining sector, strengthening supply-chain security, and encouraging responsible and sustainable investment in Pakistan's critical minerals landscape'.